

MINUTES

VIRGINIA MANUFACTURED HOUSING BOARD MEETING

September 17, 2009
9960 Mayland Drive, Suite 400
Board Room 4
Richmond, VA 23230
10:00 a.m.

Board Members Present : Michael C. Nickell, Chairman
Ava Lewis, Vice Chairman
James W. Roncaglione
Walter K. Hughes, Sr.
William H. Moody
Eric Anderson
Ben Flores
Gina M. Burgin
Lorenzo E. Dyer, Secretary to the Board

Board Members Absent : William B. Toombs

Public Representation : David Burleson Staff
Sarah Burleson Emory Rodgers
Larry Heffner Clinton Wallace
Patty Hefner Debra Winston-Bowles
Eric Olsen Steven Jacks
Andrea Bales

A. Call to Order/Roll/Determination of a Quorum.

The Virginia Manufactured Housing Board meeting was held in Richmond, Virginia, Thursday, September 17, 2009. Vice-Chairman Ava Lewis called the meeting to order at 10:00 a.m. Lorenzo E. Dyer, Secretary to the Board performed the roll call and a quorum was present.

B. Approval of the Minutes.

A motion was made by William H. Moody and seconded by Ben Flores to accept the minutes from the Board's meeting of July 16, 2009. The Minutes were accepted as written by a unanimous vote.

C. Public Comment.

A report was made concerning Crews Mobile Homes. Installer; Mr. Crews, was killed in an automobile accident.

D. Committee Reports.

1. Educational Program Committee

A telephone conference call was conducted among the Educational Program Committee. Participating in the conference call were Chairman Eric Anderson, James W. Roncaglione, William H. Moody, Ron Dunlap (VAMMHA), Hollie Cammarasana (DHCD) and Lorenzo E. Dyer (DHCD). There was discussion concerning the development of PSA's for the Board's interest of educating consumers about manufactured homes regulated by the Board. It was recommended that the development of the PSA's be added to the agenda for the next Board meeting in order to allow Chairman Eric Anderson to present his report at that time.

E. Report of the Secretary/Associated Director/Deputy Director Reports.

1. On-line Licenses Demonstration

A Power-Point Presentation was presented to Board concerning on-line registration software. The software will allow regulants to register on-line: The software will also allow the industrialized/modular industry representatives that this office regulates to be able to purchase seals for industrialized/modular buildings on-line.

2. Licenses and Recovery Fund Reports

Currently, there are 3 brokers, 222 dealers, 35 manufacturers and 661 salespersons licensed under the Virginia Manufactured Housing Regulations.

3. HUD's Manufactured Home Installation Program

The following results of the Manufactured Home Installers Training Program as of August 31, 2009 were reported:

<u>Date/Location</u>	<u>Attendees</u>
July 7, 2009 - Richmond, VA	23
July 14, 2009 – Charlottesville, VA	31
July 15, 2009 – Charlottesville, VA	31
July 21, 2009 – Wytheville, VA	56
July 22, 2009 – Wytheville, VA	31
July 28, 2009 – Williamsburg, VA	27
August 25, 2009 – Richmond, VA	90
October 14, 2009 – (Registered)	100
Total	389

As of this date, the numbers are down for class participation (anticipated 1,000 to 3,000 attendees).

Discussions:

An email was received requesting that the Virginia Manufactured Housing Board meetings be held on the second Thursday of each month. Based upon past requests and prior deliberations on this subject, James W. Roncaglione made a motion to change the meeting date of the Board to the second Thursday of each month starting January 2010. William H. Moody seconded the motion. Chairman Nickell called the question and the motion carried by a unanimous vote.

Fleetwood Corporation.

Fleetwood Corporation has been sold to CAVCO Industries in Phoenix, AZ. Notice was received regarding active cases to the liability of the Fleetwood Corporation. CAVCO Industries will not be assuming liability for active cases. The decisions concerning the liabilities are based on the Bankruptcy Court Order that assigned all assets of Fleetwood Corporation to CAVCO Industries and did not transfer liabilities. CAVCO will assume warranty claims for existing contracts that arise after the date of the transfer but will not assume any warranty claims that existed prior to the date of transfer. The Virginia Transaction Recovery Fund will hear cases of issues that occurred during the warranty period for any complaint. There is discussion with HUD as to whether Fleetwood/CAVCO would be responsible for Subpart I investigation responsible to the plant. The HUD office is seeking legal advisement as to whether CAVCO will be held responsible for Subpart I Investigations. A report will be presented to the Board concerning the questions of Subpart I as soon as it becomes available.

F. Old Business.

1. Case - David and Sarah Burleson vs. Fleetwood Homes of Virginia.

According to the engineer, additional evaluations and/or corrections may be necessary over a certain period of time. Staff's recommendation is for the home to be reevaluated concerning the corrections that have taken place within a period of sixty (60) days of date of this meeting and any decision by the Board. Mr. and Mrs. Burleson's complaint is regarding the B Side of the home that was damaged. It appears the home was damaged during setup by the dealer trying to elevate the home five feet or higher and the frame was bent. After much discussion, the Burleson's requested to be compensated in the amount of \$5,000.00 for floor, wall, and ceiling repairs and \$2,450.00 for the estimated amount paid to the engineer. Walter K. Hughes, Sr. made a motion to give the Burleson's \$7,450.00 for damages. Eric Anderson seconded the motion. Chairman Nickel called the question and the motion carried by seven votes with one member abstaining from the vote.

2. Case - Larry Hefner.

An On-site Investigation was conducted on July 16, 2009. The Heffner's were requested to submit an estimate for the cost of replacement of the doors and to pay Larry and Patty Heffner the cost of replacement of the doors from the Virginia Manufactured Housing Transaction Recovery Fund against the license of the dealer, Fleetwood Homes of Ashland. The Heffner's indicated that even though the issues with the door are settled, there are additional problems that were listed in the original complaint concerning the exterior vinyl siding bubbling, interior walls and the fireplace separating from the wall. After much discussion, Walter K. Hughes, Sr. made a

motion to rule in the Heffner's favor for the four items: exterior vinyl siding bubbling, interior walls, fireplace separating from the wall, and the doors to be replaced, and, for the Heffner's to make it conditional to providing two invoice estimates of the cost within 45 days and to make known that the Heffner's are responsible for the invoices being received. Gina Burgin seconded the motion. Eric Anderson amended the motion to include in the amount to be awarded to the Heffner's the reimbursement for the cost of obtaining the two estimates. Chairman Nickell called the question and the motion carried by a unanimous vote.

G. New Business.

1. Ada Phillips vs. Quality Custom Homes.

This case involves a dealership that is no longer in business. A transaction of funds in the amount of \$2,500.00 was paid as a deposit to purchase a manufactured home from the dealership, Quality Custom Homes. The dealership closed thereafter and the dealer's license expired on or about March 18, 2009. An Informal Fact-finding Conference was held on July 31, 2009 in Wakefield, VA and none of the involved parties were present. According to the information received in the SBCAO, money paid toward the purchase of a manufactured home by Ada Phillips to the dealership, Quality Custom Homes appears to be a violation of the regulations by the dealership. This was determined after reviewing all documents and completing investigations of the complaint. Staff's recommendations are entered as propose violations by the dealer: **13 VAC 6-20-400 (b) (7) Limitations on damages retained by dealer; disclosure to buyer. 13 VAC 6-20-170 (A) (7) Prohibited conduct; grounds for denying; suspending or revoking license; 13 VAC 6-20-430 (A) (D) Filing claims; investigations; conference or hearing on claim.** The recommendation from staff was that the money paid to the dealership (\$2,500.00) by Ada Phillips, be ordered paid by the dealership and if the payment is not paid within thirty days (30) of the Board's order the amount owed by the dealer be reimbursed from the Virginia Manufactured Housing Transaction Recovery Fund, and **13 VAC 6-20-470 Revocation of license.** Walter K. Hughes, Sr. made a motion to amend the recommendations made by staff and pay the amount of \$2,000.00 to Ada Phillips. The motion was seconded by Ben Flores. Chairman Nickell called the question and the motion carried by a unanimous vote.

James W. Roncaglione amended the motion to include an investigation of the Manager of Quality Custom Homes. Walter K. Hughes, Sr. seconded the motion. Chairman Nickell called the question and the motion carried by a unanimous vote.

H. Future Meeting Date and Location.

The next meeting date and location is scheduled for Thursday, November 19, 2009 at 10:00 a.m., Department of Housing and Community Development, Main Street Centre, First Floor Board Room, 600 East Main Street, Suite 300, Richmond, VA 23219.

I. Adjournment.

The meeting was adjourned at 1:25 p.m. on a motion made by Walter K. Hughes, Sr. and seconded by William H. Moody. The motion carried by a unanimous vote.